

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 AID-20 CIAE-00 FRB-02

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TO SECSTATE WASHDC 5375

INFO USDOC WASHDC

AMEMBASSY BONN 1245

AMEMBASSY LONDON

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DIA WASHDC

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E.O. 11652: ADS DECLAS 3/22/75

TAGS: EIND, ETRN, MT

SUBJ: DRYDOCKS DEVELOPMENTS

REF: VALLETTA 0432

1. NUMEROUS STATEMENTS BY GOM OFFICIALS DURING PAST SEVERAL WEEKS, INCLUDING BUDGETARY ADDRESS BY MINFIN ABELA, INDICATE SALES BY MALTA DRYDOCKS CORPORATION (MDD) HAVE RISEN DURING CURRENT FINANCIAL YEAR ENDING MARCH 31 BY AN ALL TIME RECORD OF 35 PERCENT TO 7 MILLION MALTA POUNDS. (ONE MALTA POUND EQUALLY APPROX. 2.60 DOLLARS). MOREOVER, THESE STATEMENTS INDICATE THAT THE MDD HAS FINALLY REACHED THE BREAK EVEN POINT IN ITS OPERATIONS. IN ORDER TO ALLOW THE MDD TO STRIVE FOR PROFITABILITY, THE GOM HAS WRITTEN OFF THE 12.5 MILLION MALTA POUNDS CUMULATIVE SUBVENTION WHICH IT HAS PROVIDED THE MDD OVER

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THE PAST SEVERAL YEARS.

2. ACCORDING TO PRESS REPORTS, FOR THE FIRST TIME IN MANY MONTHS TWO ESSO TANKERS ARE UNDERGOING REPAIR AT THE MDD. THE "ESSO GHENT" ENTERED VALLETTA HARBOUR MR. 20 AND THE 90,000 TON "ESSO WARWICHSHIRE" HAS BEEN IN THE YARD FOR SEVERAL DAYS. AMONG THE 12 OTHER SHIPS PRESENTLY AT THE MDD ARE A CHINESE SHIP "HAIFENG," AND THE LIBYAN CARGO VESSEL "SABRATA."

3. THE GOM IS ALLOCATING 1.2 MILLION MALTA POUNDS FOR DEVELOPMENT OF DRYDOCK DURING THE NEXT FINANCIAL YEAR, THE SUM INCLUDES 400,000 MALTA POUNDS FOR DEVELOPMENT OF THE 10,000 DWT TON NUMBER ONE SHIPBUILDING DOCK; 200,000 MALTA POUNDS FOR DEVELOPMENT OF A 30 TO 40,000 DWT TON SHIPBUILDING DOCK AT MARSA; 2500,000 MALTA POUNDS FOR THE BEGINNING OF CONSTRUCTION ACTIVITY ON THE NEW 300,000 DWT TON CHINESE AIDED DRYDOCK; 300,000 MALTA POUNDS FOR NEW EQUIPMENT; AND 50,000 MALTA POUNDS FOR GENERAL YARD DEVELOPMENT.

4. PRESS REPORTS HAVE INDICATED THAT A FOREIGN SHIPPING COMPANY IS INTERESTED IN CONSTRUCTING BETWEEN ONE AND FOUR SHELTER DECK COASTAL SHIPS OF 1,500 DWT TONS EACH AT THE MDD. THE COMPANY IS REPORTEDLY ALSO INTERESTED IN REGISTERING THE COASTERS UNDER THE MALTESE FLAG AND IS EMPLOYING MALTESE CREWS. THROUGH THE INTERVENTION OF MALTA'S HIGH COMMISSIONER IN AUSTRALIA. MT. J. FORACE, AN AUSTRALIAN BUSINESSMAN, PHILIP E. RUTTER, IS REPORTEDLY EXPLORING THE POSSIBILITY OF HAVING ENGINEERING PRODUCTS MANUFACTURED AT THE MDD FOR CUSTOMERS IN SINGAPORE, MALAYSIA, INDONESIA, AND AUSTRALIA. HYPES ARE HIGH AT THE MDD REGARDING THE POSSIBILITY OF INCREASED ACTIVITY FOLLOWING THE REOPENING OF THE SUEZ CANAL.

5. COMMENT: THE PUBLIC RELATIONS DEPARTMENT OF THE MDD REMAINS ITS MOST PRODUCTIVE AND EFFICIENT UNIT AS MEASURED BY ITS RANGE OF CONTACTS AND NUMBER OF PRESS RELEASES. NEVERTHELESS, THE INCREASED SALES LEVEL AND REPORTED ABSENCE OF OPERATING LOSSES WOULD SEEM TO INDICATE THAT REFORMS ALMOST SINGLE-HANDEDLY PUSHED THROUGH THE MDD BY PM MINTOFF DURING THE PAST YEAR HAVE HAD A BENEFICIAL EFFECT.GETZ

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